



THE PORT  
OF LOS ANGELES  
Executive Director's  
Report to the

Board of Harbor Commissioners

**DATE:** OCTOBER 22, 2024

**FROM:** WATERFRONT AND COMMERCIAL REAL ESTATE

**SUBJECT:** RESOLUTION NO. \_\_\_\_\_ PERMANENT ORDER AMENDING  
THE PORT OF LOS ANGELES TARIFF NO. 4, SECTION THIRTEEN –  
PARKING CHARGES, ITEM NO. 1300

**SUMMARY:**

Staff requests approval of a Permanent Order and Ordinance approving an amendment to Port of Los Angeles Tariff No. 4 (Tariff No. 4) Section Thirteen – Parking Charges, Item 1300 (a), to increase parking rates effective January 1, 2025, and January 1, 2026 (Amendment). The proposed Amendment provides for a \$2, or 10 percent, increase in the maximum daily rate at the World Cruise Center for regular-sized vehicles from \$20 to \$22, effective January 1, 2025, and an additional \$2, or 9.1 percent, increase from \$22 to \$24, effective January 1, 2026. Parking for the first hour will continue to remain free of charge, with each subsequent hour continuing to be charged two dollars until the maximum daily rate is achieved.

Assuming parking utilization rates remain consistent with those observed in Fiscal Year (FY) 2024, the proposed Amendment's escalations in maximum daily rates are anticipated to increase parking fees collected by the Harbor Department by \$272,403, or 4.6 percent, in FY 2025 and \$544,805, or 8.7 percent, in FY 2026. Additional increases in parking fee revenues may be realized if projected increases in cruise passenger volumes materialize.

A separate action recommends a Temporary Order to make changes to the Tariff within the Board's authority to adopt rates for up to 90 days. Any changes in rates beyond the 90-day period require this Permanent Order to be approved by City Council ordinance in order to become effective.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the Amendment to Port of Los Angeles Tariff No. 4, Section Thirteen - Parking Charges, Item No. 1300 (a), subject to the California Association of Port

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Authorities' review and approval, and authorize the Executive Director to work with California Association of Port Authorities to secure this approval or proceed to take independent action in accordance with California Association of Port Authorities procedure;

3. Adopt Permanent Order No. \_\_\_\_\_ to amend Port of Los Angeles Tariff No. 4 to modify parking rates in Section Thirteen – Parking Charges, Item No. 1300 (a);
4. Direct the Board Secretary to execute and transmit to the City Council for approval the Permanent Order and the Ordinance approving and authorizing the amendments to the Port of Los Angeles Tariff No. 4 pursuant to City Charter 653(a);
5. Direct the Board Secretary to transmit to the City Clerk a Notice of Public Hearing for publication in accordance with the provisions of California Government Code sections 66018 and 6062a;
6. After the effective date of the Ordinance, transmit the Permanent Order to the Executive Director or his nominee for implementation and posting the amended Tariff to the Port of Los Angeles website; and
7. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – Daily parking charges currently in Tariff No. 4 are for designated areas at the World Cruise Center at Berths 87-95, serving the USS Iowa, the Cruise Terminals, Catalina Express, Avalon Freight Services, and Maverick Airstar, as well as the Liberty Plaza Parking Lot, which serves the Boys and Girls Club of the Los Angeles Harbor, WorldTots Los Angeles, and the Harbor Administration Building.

The World Cruise Center includes two parking lots with 1,954 spaces serving the cruise passenger terminal and the USS Iowa, and an additional 736 spaces serving the Catalina Terminal, Avalon Freight Services, and Maverick Airstar. The World Cruise Center and Liberty Plaza Parking Lot are both secured parking facilities, located within the San Pedro waterfront area. Therefore, the Harbor Department charges for parking in these lots. Parking revenues in the last two years are primarily generated by daily and long-term parking users, with 91.5 percent of revenues generated from daily and monthly charges as opposed to hourly charges. The proposed rate increase is only for daily parking rates, with hourly and long-term rates proposed to remain at current levels.

Considering the length of stay for most cruise passengers, secured parking is ideal and there is less likelihood for these users to park in the approximately 3,600 additional unsecured parking spaces on Harbor Department property that are available free of charge. Hourly users are much more likely to seek out free parking in close proximity to the World Cruise Center parking lots, making hourly parking users more sensitive to rate increases until hourly parking fees are charged at other close proximity locations.

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Tariff Increase - A recent survey of cruise terminal parking rates in the continental United States indicates that the Harbor Department proposed daily secured parking rate of \$22 for FY 2024-25 and \$24 for FY 2025-26 for a regular-sized car is competitive with other cruise ports, which have an average daily rate of \$24.99 per day.

In September 2017, a new operating agreement was awarded to Parking Concepts, Inc. (PCI) and in 2022 PCI exercised their 5-year extension option, extending the term to 2027. PCI provided new shuttles starting in 2018, and recently installed pay-on-foot kiosks. Parking lot users at the Catalina Express and the Liberty Plaza sites also benefit from shade provided by solar panels covering the carports. These improved amenities further warrant the proposed increase of parking rates for the next two years.

Parking rates include the City of Los Angeles Vehicle Parking Occupancy Tax. The parking rate for the first hour is free and \$2.00 for each subsequent hour for a regular-sized vehicle, but not exceeding the maximum daily rate. Currently, the maximum daily rate for regular-sized vehicles is \$20.00 per 24 hours. For oversized vehicles, the rate is \$40.00 per 24 hours. The monthly parking rate is \$90 for standard sized vehicles and \$180 for oversized vehicles and will not change under the tariff Amendment.

Staff recommends a moderate increase in the maximum charge per 24 hours from the current rate of \$20 to \$22 per 24-hour time period starting January 1, 2025, and from \$22 to \$24 commencing January 1, 2026.

Given that the World Cruise Center parking lot is currently the only secured lot in the area to compete for cruise passenger business, parking day to passenger ratios have recently increased. Due to these recent trends, staff is only proposing a moderate parking rate increase to allow for continued analysis of passenger to parking day ratio trends and assess whether any negative impacts have arisen due to the proposed daily parking rate increase.

The proposed increases for January 1, 2025, and January 1, 2026, are as follows:

Effective Date	Maximum Charge per 24-hour Day	
	Regular-Sized Vehicle	Oversized Vehicle
1/1/2025	\$22.00	\$40.00
1/1/2026	\$24.00	\$40.00

The table below summarizes the amount of parking fee revenues recorded by the Harbor Department in the most recent Fiscal Year as well as the anticipated increase in fees which would arise from the proposed Amendment:

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Fiscal Year	Parking Fees	\$ Increase
2023/24 (Actual)	\$5,954,154	
2024/25 (Estimate)	\$6,226,557	\$272,403
2025/26 (Estimate)	\$6,771,362	\$544,805

The Ordinance implementing the Permanent Order provides that a violation of the provisions of Item No. 1300 shall be an infraction under the Tariff.

With the completion of various improvements and developments in the area, most notably the San Pedro Public Market, paid parking will become the standard along the LA Waterfront. Maintaining competitive rates is important to bolster the Harbor Department's revenue and our private development partner's revenue, from which the Harbor Department will also receive percentage rent.

A separate action recommends Board adoption of a Temporary Order within its Los Angeles City Charter Section 653(b) authority to approve changes to Tariff No. 4, to be effective for a period not to exceed 90 days. This action for Board and City Council adoption of a Permanent Order (Transmittal 1) and Ordinance (Transmittal 2) are required under the Charter Section 653(a) to make changes to the Tariff (Transmittal 3) effective beyond the Temporary Order's 90-day effective period.

#### **ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of an amendment to Port of Los Angeles Tariff No. 4, Section Thirteen-Parking Charges, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

#### **FINANCIAL IMPACT:**

Approval of the proposed action will amend Tariff No. 4, Section Thirteen - Parking Charges, Item No. 1300 (a) to increase the maximum daily rate at the World Cruise Center for regular-sized vehicles from \$20 to \$22, effective January 1, 2025, and from \$22 to \$24, effective January 1, 2026.

As a result of the proposed escalations in maximum daily rates, it is anticipated that parking fee revenues received by the Harbor Department will increase by \$272,403 from \$5,954,154 in FY 2023/24 to \$6,226,557 in FY 2024/25. It is further anticipated that parking fee revenues received by the Harbor Department will increase by \$544,805 from \$6,226,557 in FY 2024/25 to \$6,771,362 in FY 2025/26. Additional increases in parking fee revenues may be realized if projected increases in cruise passenger volumes materialize.

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**CITY ATTORNEY:**

The Permanent Order and Ordinance have been prepared and approved as to form and legality by the Office of the City Attorney.

**TRANSMITTALS:**

1. Permanent Order
2. Ordinance
3. Tariff No. 4 Section Thirteen, Item No. 1300

FIS Approval:   
CA Approval: 

*Michael J. Galvin*  
MICHAEL J. GALVIN  
Director of Waterfront & Commercial Real Estate

*Michael DiBernardo*  
MICHAEL DiBERNARDO  
Deputy Executive Director

APPROVED:

*Erica M. Calhoun* for

EUGENE D. SEROKA  
Executive Director

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